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SIPDIS

STATE FOR EAP/MLS MBROWN AND EEB/TPP/MTAA APRATTIPATI

USTR FOR EBRZYTWA AND DBISBEE

COMMERCE FOR DPAREKH

E.O. 12958: N/A

TAGS: ECON EFIN ETRD VM

SUBJECT: VIETNAM "OPEN" TO PROPOSAL ON EXPORT LICENSING

TRANSPARENCY

REF: STATE 50680 ("Increasing Transparency in Export Licensing")

¶1. (U) SUMMARY. Post delivered joint demarche with representatives from Japan and Chinese Taipei on May 22, 2009, drawing on Reftel points. Vietnam, through an official from the Multilateral Trade Policy Department of the Trade and Industry Ministry, responded that it was "open" to the proposal but concerned about slowing down the Doha discussions. END SUMMARY.

¶2. (U) On May 22, Mission Vietnam Econoff joined economic officers from the Japanese Embassy and the Taipei Economic and Cultural Office in a meeting with Luong Hoang Thai, Deputy Director General of the Multilateral Trade Policy Department of Vietnam's Trade and Industry Ministry. Thai was well-versed in the export licensing proposal which, he said, was currently under review at Vietnamese interagency process.

¶3. (U) Thai acknowledged that the proposal would probably involve little additional burdens or cost, and said that Vietnam was supportive of setting higher standards at the WTO and, particularly, on increased transparency. He added that Vietnam is "open" to the proposal but was not ready to make a decision. He added However, he cautioned that Vietnam would be unlikely to support the proposal if it entailed prolonging the revival of Doha Development discussions. "We have to choose priorities," he said, making it clear that revising the DDA ranked above all others. He also said that there would likely be some groans from within the Vietnamese government over taking on more requirements, even if procedural.

¶4. (U) The Vietnamese official asked whether the proposal would be the first step to more stringent requirements on export licensing, or whether it was related to previous proposals on export taxes. Econoff and his Japanese and Taiwanese counterparts replied in the negative, explaining that the current proposal on notification was the only one under discussion. Thai also asked which other countries supported the proposal and noted that a high level of support would be useful in persuading decision makers in Vietnam. He asked for that information and any additional materials that would help promote the proposal.

MICHALAK